

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 11/22/2016	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959	
(4) SUBJECT Introduction of an ordinance amending Section 2.48.095 of the County Ordinance Code regarding compensation increases for the Board of Supervisors. Hearing date set for December 6, 2016. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board introduce the attached ordinance amending Section 2.48.095 of the County Ordinance Code regarding compensation increases for the Board of Supervisors and direct the Clerk to set for public hearing and action on December 6, 2016.			
(6) FUNDING SOURCE(S) Departmental savings and/or General Fund Contingencies	(7) CURRENT YEAR FINANCIAL IMPACT \$9,070.00	(8) ANNUAL FINANCIAL IMPACT \$47,941.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
781-5959

DATE: 11/22/2016

SUBJECT: Introduction of an ordinance amending Section 2.48.095 of the County Ordinance Code regarding compensation increases for the Board of Supervisors. Hearing date set for December 6, 2016. All Districts.

RECOMMENDATION

It is recommended that the Board introduce the attached ordinance amending Section 2.48.095 of the County Ordinance Code regarding compensation increases for the Board of Supervisors and direct the Clerk to set for public hearing and action on December 6, 2016.

DISCUSSION

This item is presented pursuant to the current County Ordinance Code Section 2.48.095, Board of Supervisors' compensation, which requires the Human Resources Director to present draft ordinance amendments to the Board for their consideration and adoption.

Ordinance 2.48.095 states that wages will be reviewed against data collected in a manner similar to the manner used to determine prevailing wage for recognized employee organizations. In 2010, the County expanded the market comparator organizations to include a broader spectrum of agencies than had been previously utilized. This new market has been used by the County in negotiations with all employee organizations and replaced a previous contractual formulaic approach to establishing wages. This previous formulaic approach was also included in the Board of Supervisors' compensation ordinance and was eliminated in the current ordinance that was approved on December 16, 2014. The ordinance also incorporates other economic factors important in the consideration of establishing wages including the County's financial stability.

In July 2016, a wage study using the method described above was conducted for all unrepresented bargaining units, indicating that on average, unrepresented classifications were over 7% under market. On September 20, 2016 the Board of Supervisors approved a 3.0% general wage increase plus an equity adjustment equal to 0.5% of payroll for classifications identified to be 5% or more below market each year of Fiscal Years 2016-17 and 2017-18. In July 2016, a compensation study was also conducted for the Board of Supervisors, indicating that the Board of Supervisors is currently 22.5% below market. Compensation studies are also conducted in a similar manner for all represented bargaining units as part of the negotiations process, and continue to be a topic of negotiations with these bargaining units.

The attached ordinance proposes to raise the Board of Supervisors' salary by a 3.5% general wage increase effective February 12, 2017 and an additional 3.5% general wage increase effective February 11, 2018, consistent with County-wide market-based compensation philosophies, and in a similar manner as was approved for unrepresented employees¹. These increases bring the Board of Supervisors members' salary closer to the market in the same incremental way the County has approached compensation increases with other employee groups. This incremental approach is also

¹ For FY2014-15 and 2015-16 the Board of Supervisors approved wage increases for employees in the San Luis Obispo County Employees' Association (SLOCEA) and unrepresented employees including across the board and equity increases based proportionally on market position and job family alignment. For FY2016-17 and 2017-18 the Board of Supervisors approved wage increases for unrepresented employees including across the board and equity increases allocated in the same manner. To date, the County is still in negotiations with SLOCEA regarding wage increases for FY2016-17.

consistent with the Board of Supervisors' policy of reintroducing financial resources back into three main areas: contingencies and reserves, programs and services, and employee compensation. Although these compensation increases will narrow the market gap, the Board will remain approximately 15.5% under market based on FY 2016-17 survey data as shown in Attachment "A".

Government Code section 25123.5 requires a sixty (60) day waiting period after adoption of the Ordinance Code amendment for changes to be made to Board of Supervisors' salaries. If adopted, the first increase in salary will be effective February 12, 2017, following the required sixty (60) day waiting period, and the second increase will be effective February 11, 2018.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the Ordinance for legal form and effect. The Auditor's Office and Human Resources will process the system changes needed to implement the wage increases.

FINANCIAL CONSIDERATIONS

The current annual salary for the Board members is \$86,115.12. The increase effective February 12, 2017 will result in an annual salary of approximately \$89,129.04, and the increase effective February 11, 2018 will result in an annual salary of approximately \$92,248.52. The February 12, 2017 salary increase is estimated to increase County costs for FY 2016-17 by \$9,070 for the time period of February 12, 2017 through June, 2017, and the full annual costs associated with the FY 2016-17 increase is estimated to be \$23,558. The February 11, 2018 salary increase is estimated to increase County costs for FY 2017-18 by \$9,387 for the time period of February 11, 2018 through June, 2018, and the full annual costs associated with the FY 2017-18 increase is estimated to be \$24,383. Total annual ongoing costs associated with these increases is estimated to be \$47,941.

Departmental savings will be the primary source of funding for unbudgeted expenditures associated with these salary increases. To the extent departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficit amount out of the General Fund Contingencies to the department's operating budget, as needed, as part of the third quarter report. Third quarter is when many such year-end adjustments are made.

RESULTS

Approval of this Ordinance follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and addresses employee compensation. In addition, the ordinance provides for Board of Supervisors' wage reviews to be based on data collected in a manner similar to that used to determine wages for recognized employee organizations.

ATTACHMENTS

1. Proposed Ordinance Change
2. Proposed Ordinance Change - Track Changes
3. Attachment A - Board of Supervisors Salary Survey